



Developing & Retaining Business in Your Downtown

Managing your downtown
like a shopping center

Todd J Barman, Wisconsin Main Street



❖ My email

- ◆ tbarman@commerce.state.wi.us

❖ Bureau of Downtown Development web site

- ◆ <http://www.commerce.state.wi.us/CD/CD-bdd.html>

❖ UWEX Center for Community Economic Development web site

- ◆ <http://www.uwex.edu/ces/cced/>

- ❖ Downtown Economic Development
 - ◆ Document the downtown economy
 - ◆ Retain existing businesses
 - ◆ Recruit complementary businesses
 - ◆ Repeat



Document the Downtown Economy





Document the Downtown Economy

❖ Key Goals

- ◆ Inventory downtown buildings
- ◆ Survey business owners
- ◆ Inventory downtown uses
- ◆ Survey consumers
- ◆ Collect secondary data
- ◆ Write a Downtown Market Profile
- ◆ Weigh supply against demand



Document the Downtown Economy

❖ Inventory downtown buildings

- ◆ Assessed value and taxes
- ◆ Last sale date and amount
- ◆ Availability for sale or rent
- ◆ Total square footage
- ◆ Building amenities
- ◆ Zoning class
- ◆ Historic status
- ◆ Building condition
- ◆ Number of floors, commercial units, residential units



Future Downloads

❖ Downtown Inventory database
template, MS Access '97 -
with do-it-yourself instructions



Document the Downtown Economy

- ❖ Survey business owners
 - ◆ Open business reporting
 - ◆ non-sensitive information where the business needs to be identified to be most useful
 - ◆ Anonymous business reporting
 - ◆ sensitive information where the business doesn't need and doesn't want to be identified
 - ◆ Secret Shopper



Document the Downtown Economy

- ❖ Open business reporting
 - ◆ Business description
 - ◆ Customer profile
 - ◆ Positioning
 - ◆ Advertising/marketing
 - ◆ Labor/employment
 - ◆ Parking
 - ◆ Retention feedback
 - ◆ Red flags



Document the Downtown Economy

❖ Business description

- ◆ Their business or professional activity code
- ◆ How long they have been in operation
- ◆ How long they have been the owner
- ◆ Whether the business owns or rents its space
- ◆ How many square feet are devoted to sales, production, office and storage or are unused
- ◆ Their hours of operation



Document the Downtown Economy

❖ Customer profile

- ◆ How many customers/clients visit their business per week
- ◆ The busiest day of the week
- ◆ The two busiest times of day
- ◆ Their most typical customer
- ◆ The top five zip codes from which their business draws customers



Document the Downtown Economy

❖ Positioning

- ◆ The products and/or services that best differentiate their business from the competition
- ◆ Their toughest competition
- ◆ The main competitive edge of their business versus their competitors
- ◆ The three downtown businesses that complement their business the most



Document the Downtown Economy

❖ Advertising/marketing

- ◆ When they typically plan major sales/specials
- ◆ The percentage of their annual advertising budget spent on various media
- ◆ The radio stations that are included in their annual advertising budget
- ◆ The publications that are included in their annual advertising budget



Document the Downtown Economy

- ❖ Labor/employment
 - ◆ How many jobs they provide
 - ◆ Employee benefits they offer compared to their competitors
 - ◆ How far their employees commute



Document the Downtown Economy

❖ Parking

- ◆ Where their customers typically park
- ◆ Where their employees typically park



Document the Downtown Economy

❖ Retention feedback

- ◆ The community events that increased their foot traffic or sales volume
- ◆ The products or services they would most like to see available downtown
- ◆ The businesses they would most like to see come to downtown
- ◆ The business training workshops they or an employee would likely attend
- ◆ The business incentives or assistance they have used or plan to use
- ◆ The incentives they would use if they existed



Document the Downtown Economy

❖ Red flags

- ◆ How satisfied they are with their present location
- ◆ If they have plans to expand or reduce operations
- ◆ If they, or the building owner, are considering any building improvement projects
- ◆ If they are currently dealing with any business challenges



Future Downloads

❖ Business Owner Survey template,
MS Word '97 -
with do-it-yourself instructions



Document the Downtown Economy

- ❖ Anonymous records
 - ◆ Sales per square foot
 - ◆ Sales per employee
 - ◆ Rent per square foot
 - ◆ Wages



Document the Downtown Economy

❖ Inventory downtown uses

◆ Commercial units

- ◆ Unit condition and amenities
- ◆ Business classification & primary products/services
- ◆ Date established
- ◆ Business hours
- ◆ Space use
- ◆ Employment information and job availability

◆ Residential units

- ◆ Unit condition and amenities
- ◆ Residential amenities



Future Downloads

❖ Downtown Inventory database
template, MS Access '97 -
with do-it-yourself instructions



Document the Downtown Economy

❖ Using the Downtown Inventory

- ◆ What is the total assessed value for all downtown properties?
- ◆ Is the value going up or down and by how much?
- ◆ What properties meeting specific criteria, such as a specific amount of floor space, are for sale or for rent?
- ◆ How much square footage of retail, office, storage, public, and other space is located downtown?
- ◆ What are the strengths and weaknesses in the downtown's business mix?
- ◆ Where are the strong or weak business clusters in the downtown?



Document the Downtown Economy

- ❖ Survey consumers
 - ◆ Focus groups
 - ◆ Intercept surveys
 - ◆ Phone surveys
 - ◆ Mail surveys
 - ◆ License plate surveys



Document the Downtown Economy

❖ Survey questions

- ◆ When?
- ◆ Where?
- ◆ Why?
- ◆ How?
- ◆ For what? (including housing)
- ◆ Who? (demographics and psychographics)
- ◆ Labor/employment



Document the Downtown Economy

❖ When?

- ◆ When do you typically shop?
- ◆ What day of the week do you do most of your non-grocery shopping?



Document the Downtown Economy

❖ Where?

- ◆ Where do you do most of your non-grocery shopping?



Document the Downtown Economy

❖ Why?

- ◆ When making purchases, what is most important to your decision?
- ◆ If your household ever purchases products and services outside the downtown, what are the two main reasons why?



Document the Downtown Economy

❖ How?

- ◆ Where do you typically park when you drive to downtown?
- ◆ How far do you live from downtown?
- ◆ How far do you live from where you work?
- ◆ What radio stations do you listen to most?
- ◆ What publications do you read most?



Document the Downtown Economy

❖ For what?

- ◆ How often do you eat different types of restaurant meals?
- ◆ What two restaurants or types of cuisine would you most like to see come to downtown?
- ◆ Which businesses would you most likely patronize if they opened in downtown within the next year?
- ◆ Name two businesses you would most like to see come to downtown (i.e. specific chain or franchise).
- ◆ How often do you come to downtown and for what?
- ◆ Which events did you attend in the last 12 months?



Document the Downtown Economy

❖ Housing

- ◆ Have you ever lived downtown in any community?
- ◆ What is your opinion about someday living downtown?
- ◆ If you moved (or stayed) downtown, would you prefer to rent or own?
- ◆ What type of downtown housing would be most attractive to you?
- ◆ If you moved (or stayed) downtown, what size housing unit would you require?
- ◆ What kind of housing do you prefer, historic renovated buildings or newly constructed buildings?
- ◆ Which housing features or amenities are most important to you?



Document the Downtown Economy

❖ Housing - *continued*

- ♦ If two dwellings have the same size, features and amenities, how much more are you willing to pay per month (rent or mortgage payment) for the one with noticeably better design details such as better floors/floor covering, better walls/wall covering, better kitchen cabinets, and better room layout?



Document the Downtown Economy

❖ Who? - *demographics*

- ◆ By age, how many males and females live in your household?
- ◆ What is your gender?
- ◆ What is your age?
- ◆ What is your home zip code?
- ◆ What is the highest level of formal education you have completed?
- ◆ How would you describe your current job?
- ◆ What is your current monthly rent or mortgage payment?
- ◆ What is your household's annual income?



Document the Downtown Economy

❖ Who? - *psychographics*

- ◆ Which leisure activities does your household participate in?
- ◆ What types of books and magazines does your household regularly read?



Document the Downtown Economy

- ❖ Labor/employment
 - ◆ Which employee benefits would most convince you to take a new job?



Future Downloads

❖ Consumer Survey template, MS Word '97 -
with do-it-yourself instructions



Document the Downtown Economy

- ❖ Collect secondary data
- ❖ Write a Downtown Market Profile
- ❖ Weigh supply against demand



Future Downloads

- ❖ Do it yourself instructions for...
 - ◆ Collecting secondary data
 - ◆ Writing a Downtown Market Profile
 - ◆ Weighing supply against demand



Retain existing businesses



Retain existing businesses

- ❖ Keep them happy
 - ◆ Listen
 - ◆ Share
 - ◆ Help increase profits
 - ◆ Help reduce disincentives
 - ◆ Provide incentives
 - ◆ Facilitate transfer of ownership
- ❖ Demonstrate a pro-business attitude



Retain existing businesses

❖ Listen

- ◆ Business Owner Survey
- ◆ Business Visitation Program
- ◆ Gatherings
 - ◆ Breakfast meetings
 - ◆ Luncheon speakers
 - ◆ Business After Hours



Retain existing businesses

❖ Share - *How*

- ◆ Block Captain Program
- ◆ Ambassador Program
- ◆ Downtown manager visits
- ◆ Mailings, newsletters
- ◆ Gatherings



Retain existing businesses

❖ Share - *What*

- ◆ Documentation on the downtown economy
- ◆ Upcoming events
- ◆ Available resources



Retain existing businesses

❖ Help increase profits

- ◆ Identify new market opportunities
- ◆ Increase efficiency
 - ◆ New skills and technology
- ◆ Reduce costs
 - ◆ Rent
 - ◆ Personnel costs
 - ◆ Utility costs
 - ◆ Product costs
 - ◆ Shipping/transportation costs
 - ◆ Health and other insurance costs
- ◆ Identify supplemental income



Retain existing businesses

❖ New skills - *Workshops*

- ◆ Business planning
- ◆ Financial management
- ◆ Inventory management
- ◆ Advertising/marketing
- ◆ Employee training/hiring
- ◆ Customer service
- ◆ Hospitality training
- ◆ Window displays/interior store design
- ◆ Business market analysis
- ◆ Internet/E-Commerce



Retain existing businesses

❖ Help reduce disincentives - *to staying in business*

- ◆ Insufficient financing
- ◆ Shop lifting/theft
- ◆ Vandalism
- ◆ Inadequate utilities
- ◆ Limited access to products
- ◆ Difficulty recruiting employees
- ◆ Difficulty retaining employees
- ◆ Insufficient parking
- ◆ Owner/tenant conflict
- ◆ Negative image of downtown
- ◆ Restrictive regulations
- ◆ Poor building condition
- ◆ Unskilled workers



Retain existing businesses

❖ Provide incentives - *to staying in business*

- ◆ Boilerplate lease agreements or rent subsidies
- ◆ Arbitration service
- ◆ Landlord/tenant referral network
- ◆ Historic preservation district
- ◆ Design assistance
- ◆ Façade and sign grants
- ◆ Loan packaging or low interest loans
- ◆ Business planning service
- ◆ Buying groups
- ◆ Sister store mentors
- ◆ Business plan contest - *award grant/loan*
- ◆ Resource library
- ◆ Business assistance - SCORE, SBDC, VoTech



Retain existing businesses

- ❖ Provide incentives - *marketing*
 - ◆ Image development and promotions
 - ◆ Special events
 - ◆ Retail events
 - ◆ Cooperative advertising
 - ◆ Downtown marketing materials
 - ◆ Brochures, maps, directories, etc.
 - ◆ Web site



Recruit complementary businesses





Recruit complementary businesses

- ❖ The recruitment team
 - ◆ who should be on the team
 - ◆ bankers
 - ◆ realtors
 - ◆ city staff or elected officials
 - ◆ economic development staff
 - ◆ academic staff
 - ◆ enthusiastic business owners (*competitors?*)
 - ◆ roles of the team



Recruit complementary businesses

- ❖ Developing your wish list
 - ◆ Market Position Statement
 - ◆ Vision Statement
 - ◆ Retail mix analysis
 - ◆ Population required to support stores
- ◆ Recruitment will target businesses that people want and that the market will support (supply and demand)



Recruit complementary businesses

- ❖ Clustering/placement of businesses
 - ◆ Traffic generators
 - ◆ Compatible cluster - *unrelated products*
 - ◆ Demographic clusters- age, income, lifestyle
 - ◆ Complementary clusters - *related products*
 - ◆ FIRE - finance, insurance, real estate
 - ◆ Competitive clusters - *same products*
 - ◆ Comparison shopping - clothing, jewelry
 - ◆ Convenience clusters - *convenience products*
 - ◆ Neighborhood shopping - gas, food, drugs



Recruit complementary businesses

- ❖ Generating your leads
 - ◆ Expansion of existing businesses
 - ◆ Community visits
 - ◆ Trade associations, trade shows
 - ◆ Sales representatives
 - ◆ Home businesses
 - ◆ Store managers
 - ◆ Entrepreneur workshops
 - ◆ Retail Lease Trac



Recruit complementary businesses

- ❖ Business opportunities check list
 - ◆ Appropriate available space
 - ◆ Complements existing businesses
 - ◆ Serves target customer group
 - ◆ Fills gap in the business mix
 - ◆ Complements existing business cluster
 - ◆ Identified in consumer survey
 - ◆ Identified in business owner survey
 - ◆ Gap identified in supply/demand analysis
 - ◆ Fits with Market Position Statement



Recruit complementary businesses

- ❖ Business preparedness check list
 - ◆ Previous business ownership
 - ◆ Business plan completed
 - ◆ Market research completed
 - ◆ Cashflow projections available
 - ◆ Financial assistance requested
 - ◆ Personal investment
 - ◆ Relationship with banker, CPA, etc.

- ❖ My email

- ◆ tbarman@commerce.state.wi.us

- ❖ Bureau of Downtown Development web site

- ◆ <http://www.commerce.state.wi.us/CD/CD-bdd.html>

- ❖ UWEX Center for Community Economic Development web site

- ◆ <http://www.uwex.edu/ces/cced/>